

BUSINESS OPPORTUNITY

MARINA SERVICES, BOAT RENTAL, RETAIL, AND
FOOD AND BEVERAGE SERVICES
within
CURECANTI NATIONAL RECREATION AREA

Department of the Interior

National Park Service
Intermountain Region

CONCESSION CONTRACT CURE001-16

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INTRODUCTION

The National Park Service ("Service") intends to award a concession contract in Curecanti National Recreation Area ("Area") for the seasonal operation of marina services, boat rental, retail, and food and beverage services for the public. This Prospectus describes in general terms the existing business operation and the business opportunity for services required by the Service. Offerors are responsible for reviewing all sections of this Prospectus and, specifically, the terms and conditions of the Draft Concession Contract CC-CURE001-16 ("Draft Contract"), including its exhibits, to determine the full scope of a Concessioner's responsibilities under the Draft Contract.

The Service is conducting this solicitation in accordance with the National Park Service Concessions Management Improvement Act of 1998 (PL 105-391) as implemented by the Service in 36 C.F.R. Part 51. The term "Concessioner" as used in this Prospectus refers to the entity that will be the Concessioner under the Draft Contract. The Term "Existing Concessioner" refers to Elk Creek Marina, LLC, the Concessioner under the existing concession contract ("Existing Contract"). The Existing Contract and 36 C.F.R. Part 51 are included as Appendices to this Prospectus.

In the event of any inconsistency between the terms of this Prospectus and 36 CFR Part 51, 36 CFR Part 51 will prevail. In the event of any inconsistency between the description of the terms contained in this Prospectus and the Draft Contract, the Draft Contract will prevail.

THE NATIONAL PARK SERVICE AND ITS MISSION

In 1916, President Woodrow Wilson approved legislation creating the Service within the Department of the Interior. That legislation mandated that Congress create America's National Park Service to:

...conserve the scenery and the natural and historic objects and the wild life therein and to provide for the enjoyment of the same in such a manner and by such means as will leave them unimpaired for the enjoyment of future generations.

54 U.S.C. § 100101 (a)

Additionally, Congress declared that the National Park System should be:

...preserved and managed for the benefit and inspiration of all the people of the United States.... 54 U.S.C. § 100101 (b)

The Service has as its overall mission the preservation and public enjoyment of significant aspects of the nation's natural and cultural heritage. To learn more about the National Park Service, visit our website at www.nps.gov. This site includes information about the Service's mission, policies, and individual park units.



Source: National Park Service Photo



CURECANTI NATIONAL RECREATION AREA

Curecanti National Recreation Area was established in 1965 and is currently being administered by the National Park Service based on a number of cooperative agreements and legal mandates. A primary legal mandate is the Colorado River Storage Project (CRSP) Act. The purposes of Curecanti National Recreation Area are to conserve natural, historic, and archeological resources, and to provide for public use and enjoyment in such a way as to ensure visitor safety and resource preservation or conservation.

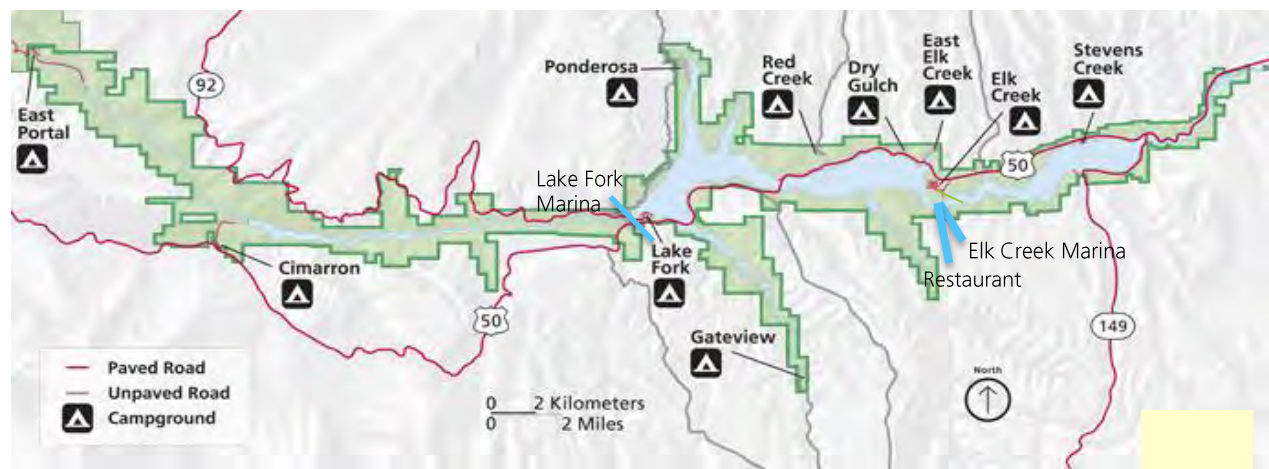
Curecanti National Recreation Area is located on the Western Slope of the Rocky Mountains in west-central Colorado. It consists of a series of three reservoirs along the once wild Gunnison River: Blue Mesa Reservoir, Morrow Point Reservoir, and Crystal Reservoir. The reservoirs are a destination for water-based recreation high in the Rocky Mountains. Best known for salmon and trout fishing, Curecanti also offers opportunities for hiking, boating, camping, and bird watching.

With its 96 miles of shoreline, Blue Mesa Reservoir is approximately twenty miles long and Colorado's largest body of water. **Exhibit 1** provides a map that illustrates the location of Blue Mesa Reservoir.

Approximately 900,000 visitors come to the Area each year to enjoy the broad variety of experiences it offers such as fishing, camping, boating, hiking, scenic drives, bird watching, horseback riding, and hunting. There are several campgrounds located around Blue Mesa Reservoir. Developed campgrounds are Elk Creek, Lake Fork, Stevens Creek, and Cimarron. Smaller camping areas at Dry Gulch, Red Creek, Ponderosa, Gateview, East Portal, and East Elk Creek offer more seclusion.

Concessioner operated marina services are provided at Elk Creek and Lake Fork. Elk Creek Marina is 16 miles west of Gunnison on Highway 50. Lake Fork Marina is located 25 miles west of Gunnison near the Blue Mesa Dam. The Area is open year round; however, concession services are available only from late spring through September.

Exhibit 1 - Curecanti National Recreation Area Map



Source: National Park Service



MARKET AREA OVERVIEW

COLORADO TOURISM MARKET

Colorado is a four-season destination offering unparalleled adventure and recreational pursuits, a thriving arts scene, a rich cultural heritage, flavorful cuisine, and 25 renowned ski areas and resorts. The state's breathtaking scenic landscape boasts natural hot springs, the headwaters of seven major rivers, many peaceful lakes and reservoirs, 12 national parks and monuments and 58 mountain peaks that top 14,000 feet.

A record 71.3 million visitors traveled to Colorado in 2014, marking a high point for the state's thriving tourism industry. Colorado outpaced national growth rates in every tourism category and for the fourth year in a row, visitor counts increased in Colorado.

LOCAL AREA MARKET

Curecanti National Recreation Area is located in the heart of Colorado's Rocky Mountains on the western slope in Gunnison County. Gunnison County offers some of the richest eco-tourism opportunities available, featuring pristine rivers filled with thriving fish and insect populations, wildlife of many varieties, an abundance of wildflowers, and millions of acres of public lands. Gunnison County encompasses 3,239 square miles. 78% of Gunnison County is federal land owned by the United States Forest Service (USFS) (1,220,035 acres), Bureau of Land Management (BLM) (355,350 acres), and Curecanti National Recreation Area (40,000 acres), for a total of 2,526 square miles. For more information on the Gunnison area, visit Gunnison County's website at <http://www.gunnisoncounty.org>.

There are a variety of ways to get to Curecanti National Recreation Area via automobile. The shortest highway route is approximately 240 miles from Denver International Airport. The closest full-service town is Gunnison which provides a variety of services and is located approximately 16 miles from Curecanti National Recreation Area. See <http://www.gunnisoncrestedbutte.com>.

PARK VISITATION

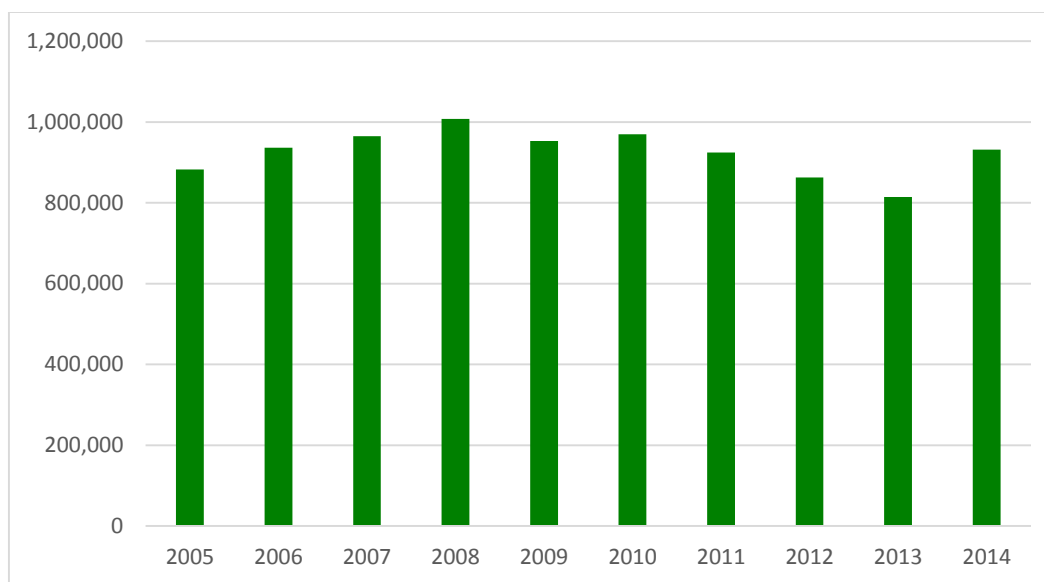
Visitation at Curecanti has fallen in recent years, perhaps due to the economy or to dry weather conditions resulting in lower water levels in Blue Mesa Reservoir. Annual visitation reached an all-time high of 1.1 million in the late 1980s, but has generally trended downwards since then.

According to a visitation study conducted in 2010, 99% of visitors are from the United States, and more than 70% are from Colorado. More visitors come from local counties on the western slope (34%), or from the more populated Front Range (30%). The counties most heavily represented include Montrose (11%), Mesa (10%), Gunnison (8%), El Paso (7%) and Denver (4%). Outside of Colorado, the most common visitor state of residence is Texas (5%). The remaining 22% of visitors come primarily from states in the Midwest. Visitors aged 41 to 65 old comprised 44% of total visitation, and visitors 66 or older comprise an additional 16%.

Exhibit 2 depicts annual Park visitation from 2005 through 2014.



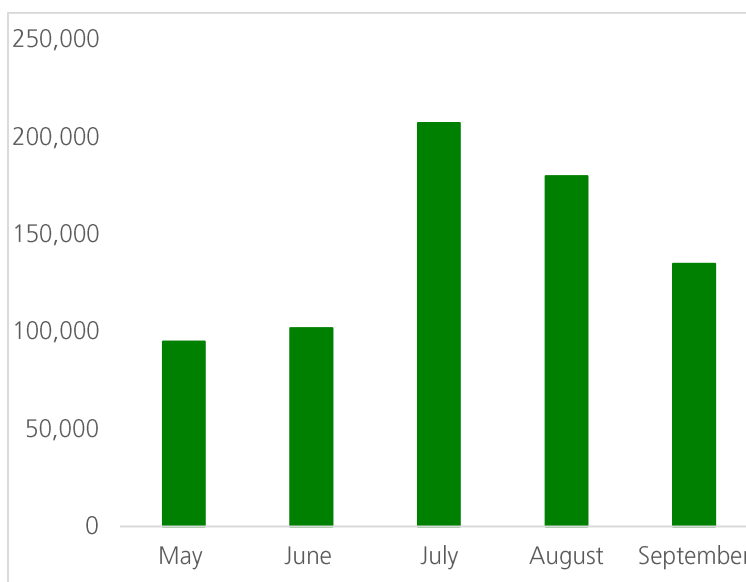
Exhibit 2 - Curecanti National Recreation Area Visitation, 2005 through 2014



Source: National Park Service

Visitation to the Park is highly seasonal. Most of the park's usage occurs in the four months between Memorial Day and Labor Day, although the Park experiences some visitation in the fall and winter for activities such as hunting and ice-fishing. **Exhibit 3** presents visitation by month for 2014 for May through September, which represent the months of operation for the Concessioner.

Exhibit 3 - Curecanti National Recreation Area 2014 Visitation by Month



Source: National Park Service



EXISTING CONCESSION OPERATION

The existing concession operation, being provided by the Existing Concessioner under (CC-CURE001-06), includes marina services, the sale of related merchandise in two marina stores, and the operation of Pappy's Restaurant and Bar. This Existing Contract was effective beginning January 1, 2006, and will expire on December 31, 2015. This Existing Contract will likely be extended briefly until the Draft Contract is awarded in spring 2016. A summary of the required and authorized services under the Existing Contract is detailed in **Exhibit 4** below.

Exhibit 4 – Existing Contract Required and Authorized Services

Existing Contract Required Services	
Service	Location
Marina Fuel (includes common marine oils and lubricants)	Elk Creek Marina Lake Fork Marina
Boat Rental	Elk Creek Marina Lake Fork Marina
Slip Rental	Elk Creek Marina Lake Fork Marina
Rental of Equipment Related to Boats and Fishing	Elk Creek Marina Lake Fork Marina
Electrical Hookups*	Elk Creek Marina
Boat and Engine Repair	Elk Creek Marina
Boat Sewage Pump Out**	Elk Creek Marina Lake Fork Marina
Dry Boat Storage	Assigned area identified in Exhibit D
Merchandise	Elk Creek Marina Lake Fork Marina
Public Showers	Elk Creek Marina Lake Fork Marina
Food and Beverage (including beer and wine)	Restaurant at Elk Creek Marina
Boat Towing	Blue Mesa Reservoir
Fishing Guide	Morrow Point Reservoir

*This requirement is currently suspended due to infrastructure limitations at the marina site.

** Pump out service at Lake Fork Marina is currently suspended due to infrastructure limitations.

Existing Concession Contract Authorized Visitor Services	
Service	Location
Additional Electrical Hookups*	Elk Creek Marina
Boat Launch and Retrieval	Blue Mesa Reservoir
Boat Washing	Elk Creek Marina
Rental of Non-Power Water Toys	Elk Creek Marina Lake Fork Marina
Fishing Guide	Blue Mesa Reservoir
Overnight Guided Fishing Trips	Blue Mesa and Morrow Point Reservoirs

*Additional electrical hookups are not available due to infrastructure limitations at the marina site.

Source: National Park Service



FUTURE OPERATIONS

The required and authorized services for the Draft Contract, including any changes to the existing services, are described in Exhibit 5. There are no material differences in the required services from the Existing Contract. However, there are some additional authorized services which are described in more detail below.

Exhibit 5 – Draft Contract Required and Authorized Services

Draft Concession Contract Required Visitor Services		
Required Services	Location	Material Changes from Existing contract
Marina Fuel Service	Elk Creek Marina and Lake Fork Marina	NONE
Motorized and Non-Motorized Boat Rentals	Elk Creek Marina and Lake Fork Marina	NONE
Slip Rentals	Elk Creek Marina and Lake Fork Marina	YES- includes boat sewage pump out
Electrical Hookups (up to 26 slips)	Elk Creek Marina	YES- will be available
Boat and Engine Repair	Assigned Area Identified in Exhibit D	NONE
Dry Boat Storage	Assigned Area Identified in Exhibit D	NONE
Retail	Elk Creek Marina and Lake Fork Marina Stores	NONE
Public Showers	Elk Creek Marina and Lake Fork Marina	NONE
Food and Beverage	Elk Creek Marina	NONE
Boat Towing Service	Blue Mesa Reservoir	NONE
Fishing Guide Service	Morrow Point Reservoir	NONE

Draft Concession Contract Authorized Visitor Services		
Authorized Services	Location	Material Changes from Existing contract
Boat Launch and Retrieval Services	Elk Creek Marina and Lake Fork Marina	NONE
Seasonal Boat Parking	Elk Creek Visitor Center Parking Lot	YES
Boat Washing	Elk Creek Boat Washing Station	NONE
Rental of Non-Power Water Toys (tubes, water skis, etc.)	Elk Creek Marina and Lake Fork Marina	NONE
Guided Fishing Service (to include overnight camping)	Blue Mesa Reservoir and Morrow Point Reservoir	NONE
Vending Machines	Elk Creek Marina and Lake Fork Marina	YES
Wi-Fi	Restaurant at Elk Creek Marina, Elk Creek Marina and Lake Fork Marina	YES
Blue Mesa and Morrow Point Excursions	Elk Creek Marina and Lake Fork Marina	YES
Boat Valet Service	Elk Creek Marina and Lake Fork Marina	YES
Houseboat Rental	Elk Creek Marina	YES
Non-motorized watercraft - rental, guided service, and/or shuttle	Blue Mesa Reservoir and Morrow Point Reservoir	YES
Campground Lodging	Elk Creek Campground	YES



Camping Equipment Rental	Elk Creek Campground	YES
Photographic services	Blue Mesa Reservoir and Morrow Point Reservoir	YES

Source: National Park Service

AUTHORIZED SERVICES

The additional authorized services in the Draft Contract represent entirely new services, such as Concessioner provided excursions, and ancillary services that previously fell under larger service categories. Below is a description of some of the new authorized services. For more details, refer to Draft Contract, Exhibit B.

Seasonal Boat Parking

The Concessioner is authorized to rent, ten (10) spaces in the Elk Creek Visitor Center parking lot as seasonal boat and trailer parking. The Area will enforce that no other seasonal or long-term boat and trailer parking occurs in the Elk Creek Visitor Center parking lot. Should the Concessioner elect not to provide boat and trailer parking in the Elk Creek Visitor Center parking lot as an authorized service, the Area may manage this service for a fee. Refer to Draft Contract, Exhibit B, IV) A)7(c) for more details about this proposed service.

Blue Mesa and Morrow Point Reservoir Excursions

The Concessioner is authorized to offer guided boat excursions on Blue Mesa Reservoir and Morrow Point Reservoir in motorized and non-motorized watercraft. The Concessioner is also authorized to shuttle non-motorized watercraft on Morrow Point, transporting visitors from points downstream to the Pine Creek dock. Refer to Draft Contract, Exhibit B, IV) A) 5 for more details on this proposed service.

Campground Lodging

The Concessioner is authorized to offer overnight lodging in up to 22 campsites in "Loop C" of Elk Creek Campground through its investment in non-permanent, personal property structures such as camper cabins, yurts, or travel trailers. The Concessioner must present its plan to the Area for review and approval if this authorized service is to be provided. The plan must include a reservation system and refund policy. Refer to Draft Contract, Exhibit B, IV) G) 1 for more details about this proposed service.



INFORMATION ON OPERATING CONDITIONS

The marinas at Elk Creek and Lake Fork are the center of the Concessioner's business. Services include marinas and slip rentals, boat rentals, convenience stores, and guided fishing. Snacks and quick food items are sold at each of the marina stores. Soda vending machines are available outside the Elk Creek marina store and at the shower facilities in the Elk Creek parking lot. Coin operated showers are located near each marina. The restaurant and bar offer an informal dining experience at Elk Creek Marina.



Dock Replacement Project

The Service anticipates replacing some of the existing docks at Elk Creek Marina in the fall of 2016. As a result, the Concessioner can expect to operate using the existing docks for at least the first season of operation. It is expected that the replacement docks will be constructed off-site and moved into place at the close of the season. The size and configuration of the new docks is still in development, but the proposed configuration is listed below.

	East Dock		Middle Dock		West Dock	
Double Slips	52	(24'W x 30'L)	28 32	(24'W x 30' L) (20'W x 20'L)	32	(24'W x 30'L)
Single Slips	3	(10'W x 30'L)	None		None	

Weather conditions resulting in delays in opening and low water levels may have a measurable effect on operations. The weather in the month of May is usually cool and windy, and snow is still possible; therefore, the marina is primarily used on the weekends by individual fisherman and for fishing tournaments. Other visitor use begins in June when the weather warms to the 80's and 90's. Fourth of July weekend is usually the busiest weekend in the season, followed by Memorial Day and Labor Day weekends. Visitation drops rapidly after Labor Day, although the weather continues to be pleasant through September. This area of southern Colorado is known for its extremely cold winter temperatures. The lake traditionally freezes over during the winter, and the concession operation is closed. See Exhibit 6 below for additional temperature data.

Weather and visitation may cause specific dates to fluctuate. The Concessioner may open some or all facilities earlier or extend the season provided overnight temperatures remain above freezing for facilities requiring water, and the Area is able to accommodate Concessioner requests for assistance. Daily operating hours may be extended to meet customer demand. The minimum hours of operation for each facility are included in Draft Contract, Exhibit B, Operating Plan.



The Concessioner will be required to shut down and winterize the facilities at the close of the season. Refer to Draft Contract, Exhibit H, Part B, 1) P) for more details on these responsibilities.

There is no Concessioner housing within the Area. However, a maximum of one vessel and two employees may reside in Concessioner-owned boats at Elk Creek and Lake Fork marinas for the purposes of providing security and an emergency after-hours contact during the operating season.

Exhibit 6 – Average Temperatures by Month

Month	Average High	Average Low
May	65	22
June	74	36
July	79	43
August	76	42
September	69	33

*Temperatures in Fahrenheit

Source: www.usclimatedata.com

FINANCIAL AND OPERATING DATA

The Proposal Package requires Offerors to develop financial projections based on the services required under the Draft Contract. In order to assist Offerors in the development of these projections, the Service provides the information regarding historical visitor use and gross revenue. Offerors should be appropriately cautious in the use of historical information. The National Park Service will not provide financial predictions; therefore, Offerors are responsible for producing their own pro forma financial projections and relying upon their own financial predictions. Offerors should read the entire prospectus carefully, including the Draft Contract and all its exhibits as some requirements from the Existing Contract may have changed, specifically, note the minimum insurance requirement levels outlined in Draft Contract, Exhibit I, Insurance Requirements.

APPROVED RATES FOR REQUIRED SERVICES

The methodologies used by the Service to determine the reasonableness and appropriateness of rates and charges are set out in the National Park Service Concession Management Rate Approval Guide (July 2010), a copy of which is included as an Appendix to this Prospectus. Approved 2015 rates are also included as an Appendix to this Prospectus. It is anticipated that the Concessioner may be able to charge somewhat higher rates for slip rental once the docks are replaced at Elk Creek; however, all rates must be approved according to the process described in Exhibit B, Section III,B).

HISTORICAL GROSS REVENUE

Historical annual gross revenue for the past three seasons is listed in **Exhibit 7**, and gross revenue by department is presented in Exhibit 9.

Exhibit 7 – Total Gross Revenue 2012-2014

	2012	2013	2014
Gross Revenue	\$558,903	\$544,061	\$556,852

Source: National Park Service



Exhibit 8 – Gross Revenues 2012-2014 by Department

Department	2012	2013	2014
Marina	\$323,006	\$319,696	\$363,611
Food and Beverage	\$69,461	\$89,628	\$83,851
Retail	\$77,598	\$80,511	\$82,988
Guided Fishing	\$41,624	\$36,700	\$8,150

Source: National Park Service

Exhibit 9 – Historical Franchise Fees Paid

	2012	2013	2014
Franchise Fees	\$17,536	\$21,558	\$22,274

Source: National Park Service

UTILITIES

Water, sewer/wastewater and propane are provided by the Service. The Concessioner has the option to contract with commercial carriers for solid waste disposal and recycling service, or the Area will provide these services and bill the Concessioner accordingly. The Service projects an increase in utility expenses to the Concessioner during the term of the Draft Contract, as permitted by Director's Order 35B. The Service will not authorize a utility add-on during the Draft Contract.

Exhibit 10 – Utility Costs for the 2014 Season

Utility	Cost
Water	\$190.28 (\$1.96 per 1,000 gallons)
Sewer	\$190.28 (Based on metered water usage)
Propane Gas	\$1,595.58
Garbage	\$1,143.92
Water Transport/Pumping**	\$813.34
Total	\$3,933.40

*This is the cost to provide and transport water to the Elk Creek Tank at Maintenance Facility FMSS # 93812.

Source: National Park Service

INVESTMENT ANALYSIS**ESTIMATED INITIAL INVESTMENT**

As shown in the exhibit below, the Service projects the Concessioner's total estimated initial investment at \$341,000 in 2016 dollars. This includes personal property, inventory, supplies, working capital, curing deferred maintenance, and other costs (staff hiring, training). The Service did not include any costs associated with authorized services as an initial investment since the Concessioner may choose not to provide those services, and the Service is still developing the needed compliance. The Service provides the breakdown of the estimated initial investments required by the new Concessioner below:

LEASEHOLD SURRENDER INTEREST

Leasehold Surrender Interest is a compensable interest in real property and real property improvements. The Existing Concessioner has no Leasehold Surrender Interest in Concession Facilities. There will be no Leasehold Surrender Interest in the Draft Contract.



PERSONAL PROPERTY AND INVENTORY USED IN EXISTING CONCESSION OPERATION

The Existing Contract does not require the Existing Concessioners to sell personal property, merchandise (inventory), and supplies used in the operation to the future Concessioner; however, a new operator will be required to provide such equipment, personal property, and inventory necessary for the proper and efficient operation of Draft Contract requirements.

INITIAL INVESTMENT

The Concessioners will incur start-up costs prior to commencing operations and will need to provide working capital and personal property, supplies, and inventory as discussed above. Offerors must make their own determination of the investment required to support the Required Services.

Investment	Amount in 2016 \$
Personal Property	\$ 190,000
Inventory and Working Capital	\$ 73,000
Other Start-up Costs	\$28,000
Deferred Maintenance	\$50,000
Total	\$341,000

MINIMUM WAGE

The minimum wage for federal contractors established by Executive Order 13658 and 29 CFR Part 10 will apply to the Draft Contract and was considered in the analysis of the minimum franchise fee.

FRANCHISE FEE

The minimum franchise fee will be equal to four percent (4%) of the Concessioner's annual gross receipts for the term of the Draft Contract. Offerors may propose a higher minimum franchise fee, as described more fully in the Proposal Package (included in Tab 3 of this Prospectus).

REPAIR AND MAINTENANCE RESERVE

No Repair and Maintenance Reserve is included in the Draft Contract. Despite not having a reserve, the Concessioner must undertake maintenance of Concession Facilities to the satisfaction of the Service, including, without limitation, compliance with the requirements of the Draft Contract, Exhibit H, Maintenance Plan.

PREFERRED OFFEROR DETERMINATION

The Director has determined that no Preferred Offeror for this Draft Contract exists pursuant to the terms of 36 C.F.R. Part 51. This solicitation for commercial services is fully competitive.

TERM OF THE NEW CONTRACT

The term of the Draft Contract will be for nine (9) years and nine (9) months with an estimated beginning date of March 1, 2016. The effective date of the Draft Contract is subject to change prior to award if determined necessary by the Service.

